

SENATE BILL 249

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B2

2001 Regular Session
11r0757
CF 11r0902

By: **Senator Ruben**

Introduced and read first time: January 25, 2001

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Creation of a State Debt - Montgomery County - Olney Theatre Center**
3 **Campus**

4 FOR the purpose of authorizing the creation of a State Debt not to exceed \$1,500,000,
5 the proceeds to be used as a grant to the Board of Directors of The Olney
6 Theatre Center for the Arts for certain development or improvement purposes;
7 providing for disbursement of the loan proceeds, subject to a requirement that
8 the grantee provide and expend a matching fund; and providing generally for
9 the issuance and sale of bonds evidencing the loan.

10 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
11 MARYLAND, That:

12 (1) The Board of Public Works may borrow money and incur indebtedness on
13 behalf of the State of Maryland through a State loan to be known as the Montgomery
14 County - Olney Theatre Center Campus Loan of 2001 in a total principal amount
15 equal to the lesser of (i) \$1,500,000 or (ii) the amount of the matching fund provided
16 in accordance with Section 1(5) below. This loan shall be evidenced by the issuance,
17 sale, and delivery of State general obligation bonds authorized by a resolution of the
18 Board of Public Works and issued, sold, and delivered in accordance with §§ 8-117
19 through 8-124 of the State Finance and Procurement Article and Article 31, § 22 of
20 the Code.

21 (2) The bonds to evidence this loan or installments of this loan may be sold as
22 a single issue or may be consolidated and sold as part of a single issue of bonds under
23 § 8-122 of the State Finance and Procurement Article.

24 (3) The cash proceeds of the sale of the bonds shall be paid to the Treasurer
25 and first shall be applied to the payment of the expenses of issuing, selling, and
26 delivering the bonds, unless funds for this purpose are otherwise provided, and then
27 shall be credited on the books of the Comptroller and expended, on approval by the
28 Board of Public Works, for the following public purposes, including any applicable
29 architects' and engineers' fees: as a grant to the Board of Directors of The Olney
30 Theatre Center for the Arts (referred to hereafter in this Act as "the grantee") for the
31 planning, design, construction, and capital equipping of The Olney Theatre Center for
32 the Arts, located in Olney, Maryland.

1 (4) An annual State tax is imposed on all assessable property in the State in
2 rate and amount sufficient to pay the principal of and interest on the bonds, as and
3 when due and until paid in full. The principal shall be discharged within 15 years
4 after the date of issuance of the bonds.

5 (5) Prior to the payment of any funds under the provisions of this Act for the
6 purposes set forth in Section 1(3) above, the grantee shall provide and expend a
7 matching fund. No part of the grantee's matching fund may be provided, either
8 directly or indirectly, from funds of the State, whether appropriated or
9 unappropriated. No part of the fund may consist of in kind contributions. The fund
10 may include prior expended funds and real property. In case of any dispute as to the
11 amount of the matching fund or what money or assets may qualify as matching funds,
12 the Board of Public Works shall determine the matter and the Board's decision is
13 final. The grantee has until June 1, 2003, to present evidence satisfactory to the
14 Board of Public Works that a matching fund will be provided. If satisfactory evidence
15 is presented, the Board shall certify this fact and the amount of the matching fund to
16 the State Treasurer, and the proceeds of the loan equal to the amount of the matching
17 fund shall be expended for the purposes provided in this Act. Any amount of the loan
18 in excess of the amount of the matching fund certified by the Board of Public Works
19 shall be canceled and be of no further effect.

20 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
21 June 1, 2001.